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SUBJECT: COLOM DEFENDS FIRST 100 DAYS

REF: A. GUATEMALA 387
1B. GUATEMALA 464

Introduction

11. (U) On April 23, President Alvaro Colom publicly outlined his government's achievements during its first 100 days. The Vice President, First Lady, Cabinet, Diplomatic Corps, some Members of Congress, press, and others were in attendance. Colom described his government as breaking with the past 50 years of governance to favor the poor. "Some will like it, and some won't, but that's the way it is," he said, adding that the only criticisms that would concern him would be those of the poor. Some restructuring of the state was needed to achieve new policy objectives. To this end he named his wife to head a new Social Cohesion Council, and he personally would head a new Rural Development Council focusing on the 44 poorest municipalities. He said the polemics surrounding his wife being named to lead major social initiatives should not overshadow the social problems that her Council will redress. Colom blasted the previous Berger Government for having left more debt than it had acknowledged.

Security

12. (U) Colom asserted that the security situation has improved during his administration and was "under control," but allowed that many might not share that view. He asserted that daily homicide rate had fallen from 17 in 2007 to 11.3. (Comment: According to the National Police, the current daily homicide rate is 15.) In a dramatic improvement over 2007, security forces have made several major cocaine seizures already this year. Eight hundred new police officers have been hired, 431 fired for cause, and much new police equipment purchased during his administration, Colom said. The Ministry of Government's new civilian intelligence service had been inaugurated, but it would take time for it to have an impact on crime. Colom acknowledged that the March 25 melee in Zacapa Department (Ref A) had been a worrying manifestation of narco-violence, but said it was a product of successful GOG counternarcotics efforts in neighboring Izabal Department.

Taxes and Economy

13. (SBU) Colom heralded a new tax reform proposal unveiled April 22 that would raise tax collection from 12.3% to 13.2%. He acknowledged that "certain sectors" were reticent to pay more taxes, and that there were "problems even inside our own party" in generating support for the initiative. However, he insisted that it was time for the rich to pay more taxes. Colom told the private sector not to worry, saying the

government "would not do anything crazy." The GOG maintains good relations with international financial institutions, Colom said, and would try to promote small and medium enterprises. Colom asserted that the GOG had already begun distributing property titles to owners of untitled land.

Energy

¶4. (SBU) Noting that the price of oil had risen dramatically since his inauguration, Colom cited fuel prices as a major concern and the driver behind rising inflation. Without explicitly mentioning a possible PetroCaribe deal with Venezuela, Colom said the GOG is looking for energy solutions. In reference to the existing contract with U.S. company Tampa Electric, Colom denounced the terms of some existing public electricity contracts with foreign companies as being so unfavorable that he was tempted to abrogate them, but instead was trying renegotiate them.

Health Care and Education

¶5. (U) Seven hundred and forty schools had been refurbished since he took office, Colom said, and 75% of schools had received new teaching kits. The public health system had hired 300 new doctors, and public hospitals that used to work half-days are now open eight hours per day. Colom said members of the opposition "had never been inside public hospitals," and were therefore unfamiliar with their needs. Colom also extolled the new "My Family Progresses" program, which provides small subsidies to a limited number of poor families in exchange for parents keeping their children in school.

Comment

¶6. (SBU) The tenor of Colom's speech alternated between self-assured and combative. Missing from the speech was an outline of how the government plans to achieve the unmet goals from the 100-Day Plan. Public reaction to the speech and to the government's performance in its first 100 days has been mixed. For Embassy's review of the Colom Government's first three months, see Ref B.

Lindwall